5.26 ***Chelnoki*** (Russia and FSU)

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Chelnok (pl. *chelnoki*) is a colloquial Russian term used to describe a trader involved in shuttle trade in regions of the former Soviet Union (FSU) and in Eastern Europe. The term *chelnok* literally means a shuttle that is moved from one edge of a loom to the other in the process of weaving. The activities of shuttle traders are similarly associated with constant movement – travelling from a point of purchase to a point of sale of goods. In Polish, two equivalent terms are used: 'tourist-trader' – *handlarz-turysta*, or 'anti-trader' – *handlarz-mrówka*. Similar practices across the world are associated with unstable labour markets and occupy a semi-informal sphere of business (see *small-scale smuggling*, 5.25 in this volume). Petty trans-border traders are referred to as 'ants of globalisation', 'the new nomads of underground economy' such as *sacoleiros* in Brazil, or African mobile phone buyers in Hongkong and Guangzou (Telles di Silva 2012: 90).

Chelnoki has its origins in the phenomenon of *meshochnik(i)* – speculator(s), the vendors engaged in the prohibited trade of food during the Russian Civil War (the period after the 1917 Russian Revolution until 1922). The term *meshochniki* is derived from the sack (*meshok*), in which people transported goods. During the period of the Civil War, the Soviet regime banned private trade. Famine in the cities forced the Soviet government to develop a system of rationing, whereby food was distributed to those in possession of ration cards. In consequence, surplus food in rural areas was smuggled from the villages to the cities. Food was bought from farmers or exchanged for valuable goods and frequently ended up at the cities' black market (Davydov 2007). Under Soviet criminal law, speculation – the selling or buying goods for the purpose of making

profit – was defined as 'one of the most dangerous economic crimes which affects the normal functioning of Soviet trade and genuine interests of buyers' (Kaiser 1997). Traders were persecuted as 'speculators'.

Under the Soviet command economy, food and consumables were in short supply and foreign trade was controlled as part of the state planning system. Nevertheless, everything from fashionable clothes to imported electronic goods (in the latter period) could be accessed through *blat* (Ledeneva 1998), informal contacts or on the black market. In time, black market traders, specialising in imported goods, became known as *fartsovshchik(i)* (Kaiser 1997) (see *baraholka*, 5.35 in this volume).

After 1988, restrictions on trade became less severe and the number of trading agencies sharply increased. Nevertheless, the majority were state agencies that concentrated on exporting goods produced in the USSR and focused little on importing consumer products. Consequently, when the economy opened up at the beginning of the 1990s the official retail trade sector was not ready to import goods. By the mid-1990s the number of foreign trade outlets reached 20,000 (IMF 1998: 9, 10).

Concurrently, the labour market in post-communist Russia was collapsing. Shrinking domestic production triggered an increase in informal activities. The transitional period, associated with porous borders, as well as non-existent regulations for export and import, allowed for relatively free movement of people and goods. The shortages in foods and diversity of provisions in different regions made it profitable to buy certain goods in one country and to sell them in another, thanks to significant discrepancies in prices between the countries of the former Soviet Union and Eastern Europe. For example, traders brought a variety of domestic and hardware goods to Poland (mostly from the territory of the former Soviet republics) and on their return journeys purchased textiles, electronic equipment and other goods, which were in demand in their home markets (Esim 2002: 8; Ozcan 2006; Cieślewska 2014: 126). *Chelnoki* also travelled from regions of the former Soviet Union and Eastern Europe to China, India, the United Arab Emirates, Iran, Italy, Pakistan, Syria, Thailand, Turkey and Central Europe in order to buy goods destined for the domestic market. In the 1990s, *chelnoki* business was associated with those travelling with big suitcases full of consumer goods, containing in the main, food products, textiles, clothes and household goods (Esim 2002: 8). Small tour companies organising 'tourist excursions' flourished at this time. Although officially, such trips were targeted at tourists, the majority of clients were traders who rarely had time to visit tourist attractions (Cieślewska 2014: 126).

According to some estimates, *chelnoki* trade provided employment for up to 30 million traders in the mid-1990s. It is thought that the majority of *chelnoki* are women, for whom bazaars became the only source of employment during the turbulent years of transition (Taraban 2002; Abazov 2009: 27–9). A popular myth reinforces the notion that women are more skilful at trading than men. Men involved in *chelnoki* trade are often related to the female traders, and play a significant role in helping to develop business and in protecting the women from a variety of dangers such as intimidation by strangers or sexual abuse. A typical *chelnok* trader operated though a personal network, involving flexible distribution of responsibilities. Members of the network of family and friends might be involved in a range of activities from the transportation of goods across borders, to selling the products at market and distributing goods among the group. Another form of assistance included providing relevant personal contacts and advice (Slonimski et al. 2012: 174). Traditionally, *chelnoki* are especially widespread in Central Asia and the Caucasus, but their overall number is declining (Avtokratov 2001; Abazov 2009: 27–9; Cieślewska 2014: 126).

Figure 5.26.1 *Chelnoki*. Margaret Morton©OmbraLuceLLC_2006. Source: Anna Cieślewska. © OmbraLuceLLC_2006.

Over time, some of the *chelnoki* trade has transformed into profitable business. Traders still travel, but the scale of trade and their purchasing power has increased. Many former *chelnoki* became retail suppliers to wholesale outlets. Others continue to travel abroad to buy a variety of goods for their own stalls in the markets; but in the majority of cases, they send the purchased goods through intermediaries, thus they are required only to supervise their delivery. At the outset of the post-communist transition, *chelnoki* trade suffered from unstable economic conditions, racketeering and operated in a high-risk environment. A so-called 'protection fee' was often extorted from shuttle traders and collected on a regular basis. Typically a particular gang or criminal entity controlled each bazaar. Traders were forced to pay up to 30 per cent of their profits to racketeers. Theft of the *chelnoki*'s possessions occurred on a daily basis, either as punishment for those who had not paid their dues or as a warning to others. Further financial exploitation was experienced by *chelnoki* at the hands of customs officers at the cross-borders control points, by transport police and other officials keen to benefit from the earnings of traders who were readily identifiable. Officials continue to seek personal gain from the *chelnoki* trade to this day (Cieślewska 2014: 126; see also Avtokratov 2001).

A number of monuments commemorate *chelnoki* trade. In July 2009, a monument to *chelnoki* was erected in Yekaterinburg, near the main entrance to the largest market in the Urals, Taganskii riad (Lenta.ru 2009). Another shuttle trader monument was constructed in Manzhouli, on the border between Russia and China. The sculptures, dedicated to *chelnoki* entrepreneurs of the 1990s were erected in the centres of Belgorod in November 2007 and in Blagovshchensk and Sloviansk in Ukraine (Polsergmich.blogspot 2012).

A documentary entitled *Chelnoki: A School of Survival* (*Chelnoki. Shkola vyzhivaniia*), released in Russia in 2011, showed the reality of *chelnoki* business in the first years following the fall of the Soviet Union, during the period of transformation. Another documentary, *Jarmark Europa*, by Minze Tummescheit was produced in 2004. It depicts Warsaw's *Dziesieciolecia Stadium*, one of Eastern Europe's largest bazaars, and a centre of the trans-border trade between the early 1990s and 2007. The book *Wielkie Bazary Warszawskie* (*Warsaw's Big Bazaars*) describes the 'life' of two bazaars in Warsaw: Jarmark Europa and Różyckiego and includes the life stories of the traders, their clients and the policemen who controlled the bazaars (Kurczewski et al. 2010). Overall, *chelnoki* trade became a symbol of the rapid changes of the 1990s, a period of uneven transformation, instability and a flourishing informal economy.